3. The existing companies operating in the domestic air transport sector in which equity is held by foreign airlines, directly or indirectly, will be advised to disinvest equity held by foreign airlines, within a period of six months.

4. Barriers to entry and exit from this sector have been removed. There would only be a pre-entry scrutiny of applications to verify the financial soundness, maintenance, security and safety aspects of operations and human resources development proposed to be undertaken by the applicant.

5. Choice of the aircraft type and size be left to the operator.

6. To eliminate non-serious entrepreneurs and to achieve economies of scale, the minimum fleet size for a scheduled operator has been raised from the existing three (3) to five (5) aircraft and the minimum amount of the shareholders fund has been enhanced from existing Rs. 5.00 crores to Rs. 10 crores for aircraft of all-up-weight below 40,000 kgs and from Rs. 10 crores to Rs. 30 crores for aircraft of all up weight exceeding 40,000 kgs.

7. Total capacity in the air transport sector has been assessed on the basis of trend growth of traffic and projections made for the least a period of five years on annual basis. This information is being widely publicised to enable the entrepreneur to take investment decisions.

8. In the distribution of this predetermined capacity for induction, while preference will be given to Indian Airlines according to its fleet augmentation plan subject to its ability to do so, to meet a share of additional capacity that would emerge each year. The proposals of private operators for induction of capacity would be considered keeping in view the demand, load factor, past track record and financial soundness etc.

9. The present policy of route dispersal guidelines has been retained and is being strictly enforced. According to these guidelines, all scheduled operators are required to deploy in the North-East, Jammu & Kashmir, Andaman Nicobar Islands and Lakshadweep 10% of their capacity deployed on these specified trunk routes.

Rejection of Tata Airlines Project

164. SHRI SANJAY NIRUPAM: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government has rejected the proposal of Tatas for starting Tata Airlines;

(b) if so, the reasons therefor; and

(c) if not, when this proposal is likely to be given clearance and the Tata Airlines become operational?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) to (c) No, Sir. On 1st September, 1998 M/s Tata Industries have withdrawn their proposal submitted in December, 1997 to operate scheduled air transport services by M/s Tata Airlines Pvt. Ltd.

Upgradation of Guwahati airport

165. SHRIMATI BASANTI SARMA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) the amount spent so far on conversion of Guwahati airport into international airport;

(b) whether sufficient funds have been provided by Government for this purpose; and

(c) if so, the details is thereof. Indicating the amount made for the same during the current financial year?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) Airports Authority of India has incurred the following expenditure for developing Guwahati airport to international standards:—